existing negative file projects to guard against defaults in this business. Bank should clearly spell out fees/charges to the cardholder at the time of their applying for credit card, if not done so far.

Financial bunglings of banks

1594. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether in view of recent stock scam, the RBI has reviewed the functioning of banks and financial sectors;

(b) if so, the details of the steps taken to check the financial bunglings of banks;

(c) whether some banks have flouted the guidelines of the RBI and provided support to stock broking entities; and

(d) if so, the details thereof and the steps taken by Government to check flouting of such guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Reserve Bank of India (RBI) has reported that in view of reported irregularities in shares/securities transactions, it had collected data on exposure of all scheduled commercial banks by way of investments in equity shares etc. as also advances against shares. This had revealed that three banks had exceeded the 5% ceiling prescribed for investments in capital market. RBI had called for the explanation of these banks. These banks have since brought down their exposure within the prescribed ceiling.

(c) and (d) RBI has reported that a review undertaken during the first half of the year 2000 had revealed that advances against shares, guarantees issued on behalf of brokers and financing of IPOs of four banks was on the high side. RBI took stringent action against such banks including calling for their explanation, issue of displeasure and change in Chief Executives.

Sale of drugs in Delhi

1595. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that drugs are being sold in several congested areas including clusters of economically weaker sections in the capital by cartels suspected to have links in Pakistan and Afghanistan.

(b) whether any investigation has been conducted in this regard and if so, the details thereof; and

(c) the number of persons arrested during the last six months alongwith the names of localities where this trade is flourishing?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) There have been some seizures of brown sugar and smack in small quantity from clusters and congested localities of economically weaker sections, apart from other areas, in the capital . So far no suspect from such areas having links with drug cartel suspected to have links with Pakistan and Afghanistan, has come to the notice of the Government.

(c) During the last six months, NCB has arrested 14 persons and Delhi Police have arrested 157 persons under the NDPS Act in various localities in Delhi.

Terms and conditions for further investment in insurance sector

1596. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether with the opening of insurance sector to foreigners and allowing free repatriation of profits and surpluses, the fiscal deficit of the country will go up;

(b) if so, what steps have been taken by Government to avoid this situation;

(c) whether Government propose to ensure that foreign entities or their collaborators will not transfer any cash foreign exchange abroad but may transfer declared profits only through export of Indian Goods and Services if so, the details thereof;

(d) whether Reserve Bank of India will hold all foreign exchange in India only and itself carry out foreign Exchange arbitrage; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Foreign Direct Investment in the insurance sector has been limited to 26% of the paid up equity capital of the Indian